

Committee(s):	Date:
Finance Committee	21 November 2017
Subject: Financial Services Division – Quarterly Update	Public
Report of: The Chamberlain	For Information
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Summary

Over the last quarter, Financial Services Division has been delivering well on work plans. On the division's key performance indicators, progress is very good. There is only one amber indicator- the number of freedom's in the last quarter, which is marginally behind target.

Key highlights from the last quarter have been:

- Achievement of earlier accounts production
- Successful piloting of the Chief Officer Peer review process
- Progress with the Facilities Management review; in particular, reporting on the findings from a thematic review of maintenance across sites.

Recommendation

Members are asked to note the report.

Main Report

1. The key performance indicators in the Chamberlain's business plan for the division relevant for the last quarter (July - September) are set out in Appendix 1. The one amber area relates to income from freedom ceremonies. The target is to exceed the number of freedoms in the same period on the previous year. By month six, 795 people have been admitted to the freedom compared to 857 for the same time last year. However, the last quarter (July to September) shows 394 people admitted to the freedom compared to 400 in the same quarter last year, so it appears numbers are catching up. To improve the diversity of freedom applications, work continues on targeted initiatives.
2. A few key areas to draw out from the division's work over the last quarter:
3. The trial of **closing the accounts early**, i.e. production of draft statements for the City Fund and Pension Fund by 31 May, worked well. The accounts were handed to the external auditors and their audit was largely complete by Audit and Risk Management Committee in July. The Bridge House Estates accounts were completed earlier than planned and the external auditors were able to present their work at the Audit and Risk Management Committee in July. City's Cash

accounts were completed earlier than in previous years, although two weeks behind initial schedule. The accounts were handed to the external auditors in a more complete form than has been achieved previously. A full lessons learned exercise will be completed in preparation for closing the 2017/18 accounts for all funds. The City Fund and Pension Fund, Bridge House Estates and City's Cash audits are now complete and have been approved by Audit & Risk Management and Finance Committees following a number of Member briefings. Planning is now underway for closing of the 2017/18 accounts to ensure the early closing deadlines for City Fund and Pension Fund are met.

4. The Deloitte review into **Police value for money** and efficiency has been reported to Police and Finance Committees and indicates that further savings are possible. Police colleagues have identified short term savings of £400k and a wider response to medium term and long-term opportunities is currently being developed.
5. On the **Service Based Review Cross Departmental Workstreams**, the **Efficiency and Sustainability Plan** sets out a framework that incorporates continuous improvement savings, with the Chief Officer Peer Review programme currently underway to help secure more radical changes in efficiency and effectiveness, alongside a limited number of cross-cutting reviews. The key aspects are:
 - An across the board light touch continuous improvement target reducing departmental budgets by 2% from 2018-19.
 - A rolling programme of Chief Officer Peer Reviews to help identify more value for money and continuous improvements.
 - A review of central risk items.
6. The pilot for the **Chief Officer Peer Review** has now been completed and the methodology has been refined for wider roll out. Sessions began in September, with the intention of completing the Peer Review by March 2018. These sessions will help Chief Officers develop their business plans to make efficiency savings or generate income to help meet the annual 2% continuous improvement requirements of the Efficiency and Sustainability Plan and achieve better alignment of activities to the outcomes in the corporate business plan, including cross departmental working on the 'big issues' for the Corporation and London e.g. air quality.
7. The **FM Review Project** continues to make steady progress. The reviews at City of London Police and Tower Bridge are now complete and in the implementation phase and a final workshop is being organised for the 3 Independent Schools. Further reviews have now been initiated and a draft report will be presented to the FM & AM Review Project Board at the end of this month on Libraries and further reports at the end of December will be made for Open Spaces and Housing.
8. In addition to these site-specific reviews, the FM Review Project Team has concluded a review of FM Maintenance services across the corporation and a review of the interfaces between the City Surveyor's Operations Department and departments using corporate FM services. The implementation tasks for the completed reviews are being monitored closely by the Project Board and a regular summary highlight report will continue to be made to the Strategic Resources Group and Summit as required. A further update will also be made to the Efficiency and Performance Sub-Committee and Corporate Asset Sub-Committee in November.

We remain confident that the 2017/18 SBR target of £440k will be met. The target for 2018/2019 remains challenging (£800k Facilities Management and £200k Asset Management), however this target should still be achievable.

9. Work is underway to improve the quality and quantity of financial **management information** produced for both management teams and committee reporting. The Chamberlain's Finance Dashboard for Q1 of 2017/18 was presented to this Committee in July and is refreshed and updated for Q2 with an additional emphasis on aiding visual interpretation of key metrics such as:
- Departmental spend to Q2 against profiled budget with forecast of full-year position.
 - Variance of forecast outturn from full-year budget for team / activity area.
 - Spend to Q2 against budget for key departmental projects.
 - Any additional metrics as required.

Conclusion

10. Progress has been good over the last quarter across the division's work programme. The focus for the next quarter will be budget estimates and the Corporation's medium term financial planning both for business as usual and proposed capital schemes.

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FSD KPI's Balanced Scorecard 2017/18

				Quarterly update			
	Measure	2016/17 performance	2017/18 target	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Business Rates collection	% collected (cumulative)	99%	99.75%	31.2% (target 30%)	tba% (target 59%)	% (target 85%)	%
Commercial Rent collection	% collected	98%	98%	97.95%	98.95%		
Implementation of 2017/18 FSD SBR savings				Status:			On target
Publication of City Fund Accounts within Statutory Deadline				Status:			Complete
Delivery of a balanced budget and Medium Term Financial Plan for City Fund, approved by Court of Common Council by 31 March				Status:			On target
PO Compliant Invoices	Percentage	97%	96%	96%	97%	%	%
Income from Chamberlains Court : Freedoms	Number of freedoms/period compared to same period in previous years (cumulative)	1,678	1,700	406 (target 425)	795 (target 850)	(target 1275)	(target 1,700)
Professionally qualified accountancy staff as a % of total finance staff undertaking reporting, controls and decision support processes (measured annually)	CIPFA Indicator FS1	25.7%	25%	tba			Annually
Provide a high quality service to our customers (measured annually)	Annual customer survey – Average lowest score	7.15	7.5	tba			Annually
Increased staff engagement (measured annually)	Percentage of positive responses to Staff Survey Q4: "I understand how my work helps the Chamberlain's Department to achieve its objectives"	87%	90%	tba			Annually